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The content of our annual report can be made available in large print and audiotape formats, and in other languages, on request. Please call 01305 254645 or e-mail headquarters@dchft.nhs.uk

Annual Report and Accounts

2006/2007

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Introduction from Chairman and Chief Executive

2006-07 has been an exceptionally successful year for Dorset County Hospital.

The Trust set high standards for quality and achieved a significant reduction in patient complaints, coupled with improvements in services across the hospital.

All national objectives were achieved and indeed surpassed, including reducing waiting times in accident and emergency, meeting every target in relation to cancer services and all other access targets.

We invested in a number of service developments for patients including cardiology services, extending our renal service and starting a Dorset-wide spinal service.

We also achieved Foundation Trust status. This has propelled Dorset County Hospital into the premier league of hospitals in the UK. This will give us the footing to become one of the best hospitals in England, an ambition which we strive to achieve.

There is no doubt that, whilst Dorset County Hospital has achieved significant successes over the last year, the hospital has the ambition, drive and energy to continue to get better. This coming year, we aim to continue with developing our services for patients and to further reduce our waiting times.

We would like to pay tribute to our doctors, nurses, therapists and support staff who are primarily responsible for the success and for turning our plans into reality.

This year, we will be working closely with the new Members' Council and our partners in the NHS to further develop our clinical services.

We would also like to offer our heartfelt thanks to our volunteers, fundraisers and members of the local population who are playing a greater part than ever before in shaping the hospital's future.

We would particularly like to offer our best wishes to our patients who are our reason for being.



Robin SeQueira CBE
Chairman

Jan Bergman
Chief Executive

Trust Profile

West Dorset General Hospitals NHS Trust was established in 1991 as part of a long-term project to bring together all the local services for acutely ill patients onto one hospital site. The new Dorset County Hospital, just outside Dorchester town centre, was completed in 1997.

Our busy, modern hospital provides a full range of district general services, including an accident and emergency department, and links with satellite units in five community hospitals.

We are the main provider of acute hospital services to a population of around 210,000, living within Weymouth and Portland, West Dorset, North Dorset and Purbeck. We also provide renal services for patients throughout Dorset and, from next year, South Somerset – a total population of 850,000. We will be opening a new haemodialysis unit in Poole from September 2007.

Our 3,000 staff work in GP surgeries, schools, residential homes and people's own homes as well as Dorset County Hospital and the community hospitals.

In 2006-07 we saw:

- 35,061 people in the Accident and Emergency Department and another 14,057 patients in the Weymouth Minor Injuries Unit
- 26,766 planned inpatient admissions
- 244,551 outpatient appointments

For more information about your local hospital services you can visit our comprehensive website at www.dchft.nhs.uk

Our Vision

Our vision for the future is ambitious. We want to be one of the most highly regarded NHS healthcare providers in the UK. We want to be judged by our results and on the quality of care we provide to those who choose to use our services. We already have a 'good' Annual Health Check rating for the quality of our services and we aim to build on this achievement, striving for an 'excellent' rating.

Our vision is encapsulated in our mission statement and provides the framework for our five year integrated business plan:

"To be a major acute centre providing the highest quality care to the people of Dorset and South Somerset."

The provision and delivery of clinical care of the highest quality lies at the heart of our vision. We have identified seven core values which will underpin how we deliver our vision:

We will continuously strive to:

- Place our patients at the centre of everything we do;
- Actively involve patients and the public in their healthcare and in how services are delivered and developed;
- Deliver high quality, creative and innovative care to our local community, in the most appropriate setting, and working with our partners;
- Respond appropriately to the changing needs of the local community;
- Shape the provision of key clinical specialities to realise the Trust's vision to become a leading provider of healthcare;
- Attract, develop and retain the highest calibre of health professionals, managers and other staff;
- Give staff the organisational support they need to do their job well.

Improvements in Patient Care

We are constantly striving to improve the care and treatment we offer our patients. Here are just a few of the successes we have seen over the year ...

Surgical Breakthroughs

An impressive new dedicated laparoscopic theatre has been installed at Dorset County Hospital. This is the first theatre of its kind in the South West and one of only 20 in the country. Increasingly complex operations can now be performed by keyhole surgery with the benefits of much quicker recovery, earlier return to normal activities and a shorter hospital stay for the patient. Advanced keyhole surgery is facilitated by having a dedicated operating environment with ceiling mounted high quality imaging, several screens available to surgeon and assistant, anaesthetist and nurses, and trainees. Improved ergonomics make the surgery more efficient and safer, and patient changeover is improved. The theatre has audiovisual links to the hospital's Education Centre to enable courses and ongoing education for staff with live operating sessions. It will be used for complex laparoscopic procedures such as bowel resections, stomach and kidney operations.

Recent developments in keyhole surgery at Dorset County Hospital have included the first laparoscopic radical nephrectomy to be performed in West Dorset. Consultant urological surgeon Mr Stephen Andrews performed the groundbreaking operation to remove a cancerous area of the kidney in a patient in his mid-fifties. The tumour was 8cm by 7cm in size and normally patients would have to spend seven to 10



days in hospital when having such a tumour removed and would be off work for two months. This patient spent just three nights in hospital after his surgery and went back to work after six weeks. His cancer has been completely removed.



Dorset County Hospital consultant surgeon Mr Nick Lagattolla won a prestigious award for his pioneering parathyroid work.

The parathyroid glands are in the neck and adjust the level of calcium in the blood. If these glands become overactive, the blood calcium rises above normal levels, which if left untreated can result in thinning of the bones (osteoporosis), kidney stones, peptic ulcers, high blood pressure and pancreatitis.

For most patients the best treatment is surgery to remove the affected glands, which is straightforward when the glands are in the correct position. Often these glands are in the chest and traditionally they have to be removed by open chest surgery. This means patients will spend a week or more recovering from major open surgery which involves long and painful incisions.

But Mr Lagattolla has pioneered the use of a thoracoscopic (keyhole surgery) technique which is faster, far less painful, reduces blood loss and leaves just three small scars.

This ground-breaking technique earned Mr Lagattolla the Special Gold Award for Clinical Advancement in the 2006 Dorset and Somerset NHS Awards.

So far Mr Lagattolla has performed the procedure on two patients at Dorset County Hospital, both entirely successfully. Both patients could have been discharged home the day after surgery and have been permanently cured of their condition. This development places Dorset County Hospital at the forefront of endocrine surgery in the UK.

Protecting Young People

The Dorset County Chlamydia Screening programme launched an initiative to reduce the incidence of chlamydial infections among young people.

The Health Protection Agency has seen a steady rise in chlamydial infections over the last few years, with the highest incidence found to be in males and females aged 16 to 24. This age group was targeted through offering opportunistic infection screening at venues they attend. Since November 2006, the Dorset screening team have performed more than 500 tests at over 30 venues throughout Dorset with more venues coming on board every week.

The symptoms of chlamydia can go unnoticed in men and women, so can be passed onto unsuspecting sexual partners if protection is not used. The Dorset screening team is encouraging testing and trying to normalise the process. Screening Co-ordinator Barry Alborough said: "The service is free and confidential, all testing and treatment is organised by us, and we also provide contact tracing to reduce the spread of infection. The test is a simple self-taken swab for females or a urine sample for males. The request form is also self-completed."

A website is being developed at www.chlamydiafreedorset.co.uk to hold full details of how to access screening venues and tests.

Working Together for Children

The 'Learn to Move, Move to Learn' project was set up as multi-agency initiative between health and education to enable early identification of children who have difficulties with movement and to implement early intervention. Children who have difficulties with co-ordination are increasingly recognised as having special educational needs. As a result the Children's Therapy Department at Dorset County Hospital received many referrals for assessment and intervention. The success of the service increased the number of referrals, which led to unacceptable waits for appointments. A joint project with the educational psychologists from the County Psychological Service and the Children's Therapy Departments from East and West Dorset looked at how therapy skills could be shared with education staff to provide more timely intervention.

Training courses have been set up for education staff, a handbook produced, and a care pathway devised so that specific criteria have to be met before a referral to Children's Therapy will be accepted. The outcome of the project has been early intervention in school for children with motor problems. This has led to empowerment of school staff to identify, assess and implement programmes of activity in the schools as soon as they become concerned about a child's motor skills. It has raised the profile of therapy in schools and the need to integrate therapy into daily classroom routine and throughout the school day. This has included setting up therapy clubs and activity groups as ways of encouraging the children to develop the skills they need for learning. For the therapists the benefits have been reduced waiting times and clinical time freed up to focus on the more complex children rather than the children with mild and moderate difficulties. At a time of reduced resources, this is a valuable project and a good example of joint working to improve services for children with difficulties.

A Helping Hand for Patients at Mealtimes

The 'Dining Companions' initiative was established at Dorset County Hospital to help patients at mealtimes. Trained volunteers assist patients who find it difficult to feed themselves or generally cope with



mealtimes. Small tasks such as cutting up food or opening packets, which most people take for granted, can be a real problem for some patients.

The scheme has been well received with the first group of volunteers trained and helping at mealtimes. One volunteer commented: "Being able to spend time helping to encourage patients with their meals is one of the most important parts of my day and seeing a patient beginning to eat makes it very worthwhile." We have been selected as a pilot project for assessing the impact of volunteers in the NHS under the direction of Volunteering England.

Dorset County Hospital is the Place to Dine



Dorset County Hospital's restaurant for visitors and staff was recognised as a top place to eat in a local good food guide.

The meals on offer at Damers Restaurant attracted the attention of a food critic writing for the Poundbury Residents Association Newsletter.

Reviewer Denise O'Dowd wrote: "Stuck for what to cook, where to eat? Try Dorset County Hospital! Got to be joking? Just consider this a dress rehearsal for the day you have to go in for serious or just to visit an unfortunate friend! Grand food. We've heard of many people just popping in. And the hospital's great too!"

"So, marvellous menus, beautifully cooked food, served piping hot, extremely tasty with herbs and peppers where appropriate and other imaginative ingredients to lift it above what you might have come to expect in hospital."

Catering Manager Tim Pike said he and his staff were really pleased to read the review. He said: "We are very proud. It's nice to have the recognition and to know that the community appreciates our restaurant as well as hospital visitors and staff."

"All our dishes are prepared daily in our on-site kitchens and our team of chefs are very committed in what they do, which is why they do such an excellent job."

Top Score for Diagnostic Services

Dorset County Hospital's diagnostic services were praised as 'excellent' in a review of hospitals throughout the country.

We were one of just 16 in the country to receive the top score in the Healthcare Commission's national review.

The assessment gives a view of how hospitals are managing and improving radiology (x-rays and scans), pathology (tests on blood and tissue samples) and endoscopy (examinations of the bowel and stomach) services. All three services are important in areas such as cancer and cardiac care.

The Commission assessed the experiences of patients and clinical quality, as well as the efficiency and management of services.



Best A&E in the Country

A national report put Dorset County Hospital's Accident & Emergency Department at the top of the leader board across the whole of the country.

During November 2006, West Dorset General Hospitals NHS Trust had the best record for treating, discharging or admitting patients to a bed through A&E within four hours – despite an 8% increase in the number of patients attending A&E and the Minor Injuries Unit in Weymouth.

Nearly 50,000 people use their services each year, so this is a real credit to hospital staff who have worked tirelessly to achieve this. The A&E team is very proud of their success, but recognise that it is dependent on the support of all their colleagues throughout the hospital to ensure that patients are assessed in good time and that there are no delays for patients who need to be admitted to a bed.

Attending hospital as an emergency is a difficult time for any patient, but the staff pride themselves in putting their patients first, focusing on reducing any delays in emergency care and always aiming to improve the experience for their patients and the care team.

Patients in Control

Choose and Book is a national computer-based scheme offering patients a choice of hospital, time and date for their outpatient appointments. In discussion with their patient, GPs can identify several clinically appropriate hospitals for the patient to choose from and the patient can then book their appointment through the NHS booking service or by booking the appointment themselves online.

We were one of the first Trusts to register all our Choose and Book services with the scheme and patients have been booking their appointments since July 2006.

In a recent survey conducted by the Dorset Primary Care Trust, 88% of patients surveyed rated the new system positively, with 40% rating it as excellent. It is clear that patients appreciate the convenience of choosing the date and time of their appointment.



Baby Friendly Hospital

Dorset County Hospital's Maternity Unit has gained international recognition from UNICEF (United Nations Children's Fund) for its efforts to support mothers who wish to breastfeed. The UNICEF Baby Friendly Initiative is a global programme aimed at improving the care provided for all mothers and

babies and ensuring that they receive high quality support to enable successful breastfeeding.

There is a rigorous assessment procedure for accreditation and Dorset County Hospital's unit was one of just 24 in England, out of nearly 300, to meet the grade and pass the first phase of assessment. There are two more stages to go before we receive the full award.



"I found the nursing care, the kindness of the physios, the x-ray people, the medical and surgical staff and the general standard throughout the entire hospital quite extraordinary."

Comment from patient letter

Hi-tech Hospital

As part of our commitment to improving patient care we are continually investing in and introducing new technologies and systems. Examples include:

- Electronic discharge summaries – the details of all inpatient stays are summarised and e-mailed to GPs.
- Electronic clinic letters – GPs receive details of outpatient and clinic appointments within days of the appointment.
- Real time bed management – this computer-based system allows clinicians and hospital managers to identify the exact location of patients at any time of day.
- Electronic test ordering and reporting – we have recently introduced the electronic ordering and reporting of pathology and diagnostic imaging (e.g. scans and x-rays). This will cut out duplicated tests and allow clinicians to make earlier diagnoses.
- Pharmacy robot – this fully automated, computerised pharmacy robot was installed in November 2006. Now that dispensing and stock control has been automated, patients are receiving their discharge medicines faster and our pharmacists are able to spend more clinical time on the wards.



- Nursing documentation – new adult inpatient record sheets were introduced on the wards in May 2006. The documentation holds all nursing records for an inpatient stay in one place within the patients healthcare records folder.

The new documentation includes sections for nursing assessments, observations (e.g. blood pressure and pulse, respiratory and heart rates), allergy alerts and discharge planning. An audit conducted in December showed that nursing documentation had improved and there was better communication and understanding between the clinical teams caring for the patient.

Patient Advice and Liaison Service

PALS (Patient Advice and Liaison Service) provides a valuable on-site information and advice service for patients and their families and carers at Dorset County Hospital. Advisors can often sort out queries and problems on the spot and can liaise with other hospital departments on a patient's behalf. A new information and advice drop-in point has been created in the hospital to strengthen the service and make it as convenient as possible for patients and visitors to use.

What Our Patients Say

We take part in an annual survey of patients as part of the Healthcare Commission National Survey Programme. This year's survey happened during the autumn of 2006. Nationally 141,447 patients were asked about their experiences as inpatients at 167 acute or specialist trusts in England. Almost 81,000 patients replied, representing a response rate of 59%. 850 of our patients received the questionnaire and our response rate was 62.8%.

The questions in the survey cover the issues that patients find important and the results offer us an invaluable insight into their experiences. Surveys are just one way in which the quality of care given to our patients is measured, and we use this information to make improvements for patients now and in the future.

What do we need to improve?

Patients have highlighted that some of our systems and processes, together with some aspects of communication and information, need to be reviewed.

Patients commented:

- Less moving from wards to wards especially later at night;

- Communication between ward/consultant with other departments of hospital that conduct procedures/manage lists;
- I cannot see how the service and general care could be improved but after saying that, I suppose there is always room for fine-tuning.

What did we do well?

Patients reported that food was of good quality and there was plenty of choice. Availability of staff to help at mealtimes and giving information about operations and procedures was noted positively.

Patients commented:

- The hospital food was excellent. There was a good choice and quantity and it was hot;
- The explanations of the doctor and surgeon were good, clear and to the point;
- Nursing care supportive and courteous.

Complaints from patients or their relatives and carers provide some of the best feedback of people's experience of the care they receive at the Trust. This year we received 376 formal complaint letters to the Chief Executive – 17.5% less than last year.

Every formal complaint is registered and is subject to serious investigation and discussion amongst the staff involved. The main concerns amongst our patients in the past year centre around communication, the way their care was given or monitored and delays to treatment or admission.

Complaints provide valuable opportunities for improvement and changes in practice. For example, as a direct result of complaints staff have been reminded that patients should not be left alone immediately after hearing bad news and patients can ask to have a family member or friend with them when they are likely to be given bad news. Staff are reminded of the importance of keeping relatives informed of progress, transfers or delays to treatment.

Even when comments or complaints are made informally to staff, patients' concerns are taken seriously and are used to improve patient care.

Sue Stone - PALS Manager

Equality and Diversity

We are committed to ensuring that we take account of the needs of all staff and users of our services including those from minority groups. We have a Diversity Forum which advises on all diversity issues related to race, disability, gender, age, sexual orientation etc. It takes account of the developing legal requirements on diversity as well as looking to suggest where the Trust could ensure best practice is developed or introduced. The Forum meets every six weeks and includes staff, managers and members of the Patient and Public Involvement Forum. The group would welcome more members, particularly those with a specific interest in the issues facing black and minority ethnic groups.

The Trust has Race, Disability and Gender Equality Schemes in place. These set out how we will meet our requirement to ensure that diversity issues are considered when employing staff or developing new services for patients. Diversity awareness will be part of staff induction and we are developing training for all staff.

We are delighted that our commitment to employing people with disabilities has resulted in the award of the Disability Symbol Certificate by Job Centre Plus. We had to demonstrate good practice when employing staff to ensure there is no direct or indirect discrimination. We can now display the symbol on all job advertisements and recruitment literature which may encourage more disabled people to apply.

“The hospital canteen food is tasty, well-presented, and of such a standard that some hotels could learn a thing or two from you!”

Comment from patient letter

Infection Prevention and Control



Infection Prevention and Control (IPC) features as a high priority nationally, reflected in the Department of Health's evolving framework for practice, underpinned by a national drive to reduce healthcare associated infections. We have responded to the national programme by investing significant resources, strengthening the Infection Prevention and Control Team. We appointed a nurse consultant in November 2006, a consultant microbiologist with dedicated responsibilities for infection control in March 2007, and most recently an antibiotic pharmacist in April 2007.

Key IPC priorities for 2007 will be the implementation of the Department of Health's Saving Lives programme, targeting sustainable reductions in healthcare associated infections, requiring full engagement at all levels throughout the Trust.

The introduction of the Health Act 2006, The Code of Practice for the Prevention of Healthcare Associated Infections requires Trust Board commitment to an effective IPC programme via a regulatory framework. A full assessment against the Health Act has been undertaken and a subsequent work programme is being developed. This programme will align itself to the organisational restructuring currently underway, and will require full engagement by directors to underpin the essential components of consistent quality care that will reduce the incidence of healthcare associated infections.

The reorganised Primary Care Trusts have key commissioning responsibilities that establish targets to reduce the incidence of healthcare associated

infections. We have agreed important targets to reduce healthcare associated infections with Dorset Primary Care Trust, the key priority for 2007-08 being clostridium difficile. Nationally there has been a significant rise in infections caused by clostridium difficile; this is reflected in the rates within the Trust. Clostridium difficile is a healthcare associated infection that causes debilitating diarrhoea, particularly in the elderly population. The infection can occur in patients receiving broad-spectrum antibiotics; the bacterium is very resistant to normal cleaning methods and is often associated with outbreaks of infection within the hospital environment. Reducing the incidence of clostridium difficile requires full engagement with clinical and housekeeping staff, efforts focusing upon:

- Developing effective surveillance and timely feedback to clinical teams;
- Review of antibiotic policies, particularly elderly medicine and general medicine;
- Ensuring patients are isolated promptly upon developing diarrhoea;
- Implementing rigorous environmental control measures to reduce the sporicidal effects of the bacterium.

We are required to report individual cases of meticillin resistant staphylococcus aureus (MRSA) bacteraemia to the Department of Health. MRSA bacteraemia is perceived as an indicator of the overall state of healthcare associated infection within Trusts. During the period 2006/07 the Trust reported 15 cases, against a set trajectory of 12. Of these 15 cases, 2 are currently under appeal as neither patient had been admitted to the hospital within the preceding three months; a further isolate was identified in a patient within 48 hours of transfer from a regional specialist unit. We have no right of appeal against this case under current guidance.

Introduction of Root Cause Analysis to investigate cases of MRSA bacteraemia has identified some key issues for clinical staff to focus their efforts upon:

- Improvement of the management of vascular access - a phlebitis scoring system has been introduced to support the removal/ replacement of peripheral intravenous cannula;
- Review of MRSA screening and decolonisation protocols - all patients admitted to the Critical Care Units will be screened on admission and commence decolonisation pending laboratory confirmation of their results;

- Introduction of rapid MRSA laboratory testing – to ensure contacts of positive patients are identified and managed promptly;
- Trust-wide audit of placement and management of central venous catheters to identify clinical issues to improve practice;
- Improve documentation of all vascular lines following insertion and during management in line with Trust policy.

During 2006/07 there have been two outbreaks of infection associated with norovirus. Outbreaks of norovirus occur frequently in community environments and can be difficult to contain due to the virulence of the organism. Outbreaks are expensive to manage and cause considerable disruption to normal services. During 2006/07 the Infection Prevention and Control Team have focused their efforts to develop robust guidance, rigorous reporting tools to aid the management of outbreaks and worked closely with housekeeping and clinical staff to control outbreaks and resume normal hospital activities. Norovirus is a viral illness that is present in the community. An important community message is that people should not attend the hospital for visits or appointments if they are symptomatic. Media communications during outbreaks reflect this advice; we have developed noticeboards and stands with alcohol gel at all entrances requesting all visitors use the hand gel prior to entering or leaving the hospital and we advise not to visit if they have vomiting or diarrhoea. Further work has been identified from outbreak reports to work more closely with Dorset Primary Care Trust to prevent admission of symptomatic patients.

2006/07 has been an important year for the Trust's future, acknowledging the improvements required to develop a safe hospital environment, underpinned by the tenet that "Infection Prevention is everybody's business".

Anne Smith - Nurse Consultant
Infection Prevention and Control

Environmental Policy

West Dorset General Hospitals NHS Trust is committed to minimising the impact we have on the environment, by minimising waste, energy and water consumption and the use of resources. Our Environmental Policy outlines our general aims and what we must achieve in terms of our environmental performance.

Emergency Preparedness

We have in place a Major Incident Plan that is fully compliant with the requirements of the NHS Emergency Planning Guidance 2005 and all associated guidance and with any subsequent or revised guidance.

"We in Dorset are very fortunate to enjoy the services of such a devoted group of people who are totally committed to providing the highest standards of nursing care."

Comment from patient letter

Partnership



Our Colleagues

Over the past year we have worked closely with our colleagues in Dorset Primary Care Trust (formerly South West Dorset Primary Care Trust and North Dorset Primary Care Trust), South Western Ambulance Service NHS Trust (formerly Dorset Ambulance NHS Trust) and NHS South West (formerly Dorset and Somerset Strategic Health Authority). In addition, we should also mention Dorset County Council as our Health and Social Care partner as well as the voluntary agencies such as Weldmar Hospiccare Trust and Macmillan Cancer Support to provide the very best services we can for our patients.

Staff Partnership

Staff union representatives meet on a regular basis with management at Partnership Forum meetings to consult and negotiate on employment related issues and policies. Members enjoy a constructive and positive relationship with the Trust and are fully involved in important decisions which impact on Trust employees.

Our Volunteers

A dedicated band of volunteers play a vital role at Dorset County Hospital, providing invaluable services for patients, visitors and staff alike.

The League of Friends raise thousands of pounds for additional hospital equipment and facilities. They also run a shop and café in the hospital as well as a ward trolley service.

The Hospital Guides also provide an important service, welcoming patients and visitors at main entrances and helping them find their way around the Williams Avenue site.

The hospital's radio station Ridgeway Radio is run by an experienced team of volunteers who entertain patients with friendly chat and record requests.



They also provide an important link to the outside world with broadcasts from local events.

The Volunteer Hospital Car Service provides a valuable service for patients who have difficulties travelling to hospital for their appointments.

Patient and Public Involvement Forum

Patient and Public Involvement Forums (PPIF) are part of a drive to put patients at the centre of the NHS and provide an invaluable public perspective. The volunteer members of the West Dorset PPI Forum are from all walks of life and are enthusiastic about helping patients and the public influence the way that healthcare is organised and delivered. The forums are statutory bodies and their main remit is to promote better public involvement, find out what people think about health services and independently watch over the quality of local healthcare. Our local forum has been involved in projects such as visiting the elderly care wards and surveying car parking at the hospital.

Community Involvement Group

We have established a Community Involvement Group which allows patients and the wider public an opportunity to voice their opinions and influence the way the Trust delivers services and plans for future developments and changes. The group meets every three months and members have had a significant impact on improving services and facilities for patients in areas such as signage, visiting hours and developing a patient and public involvement strategy.

Arts in Hospital

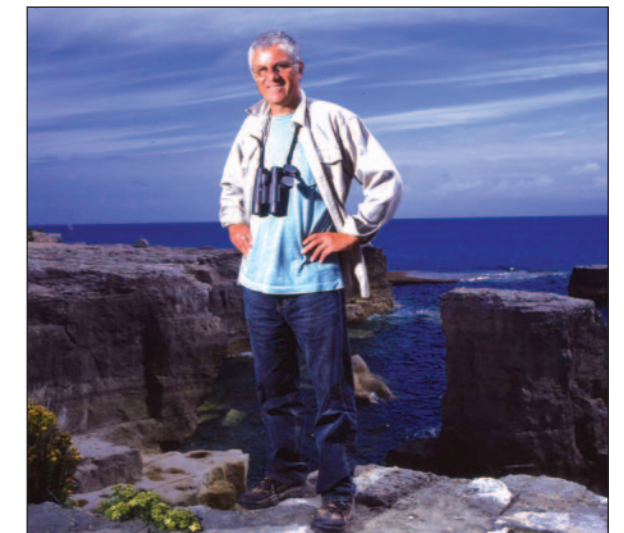
Dorset County Hospital houses a collection of original artwork which has won national recognition. The Arts in Hospital charity manages the art collection and exhibitions, aiming to improve the experience of being in hospital for patients, visitors and staff – in short, helping people feel better. Here are a few of the highlights of 2006/07 ...

- Postcards from Dorset – As a follow up to last year's 'Garden's Delight' project, photographer George Wright photographed 12 staff in their favourite part of the Dorset Coast. 'Postcards from Dorset' proved to very popular with staff and patients and the photographs are now permanently installed in the Medical and Surgical Outpatients area. Staff were asked to explain what is special about their chosen location.
- Boy Child – This has been a year-long performance project in collaboration with Bridport Primary School, The Sir John Colfox School, the HM Young Offenders Institute, fathers-to-be and older men. Workshops led by artist, Mark Storor, explored what it is to be male in our society and culminated in a large-scale performance event in the former Admiralty Underwater Weapons building on Portland on June 17, Father's Day. The project was funded by the Wellcome Trust and Arts Council England South West.

- Cultural Medicine – Last September we took part in 'Cultural Medicine', a four day arts and health festival in Dorchester. The highlight of the event was 'Opera on the Run' – opera singers disguised as two doctors and a patient who wandered around the hospital, bursting into song in wards, waiting areas and corridors to the amazement and delight of patients, staff and visitors.

We are also very grateful to our volunteers for their help with managing the collection and the Friends of Arts in Hospital as well as for their support in fundraising. The highlight of this was the Vintage Fashion show at Athelhampton House where 30 novice models aged 14 to 60 did a twirl on the catwalk in a vintage outfit from the collection of Beryl Cornish. Our grateful thanks to Patrick and Anthea Cooke at Athelhampton and to Dukes the Auctioneers.

Alex Coulter - Arts Co-ordinator



Key Objectives – Foundation Trust

West Dorset General Hospitals NHS Trust was authorised as a Foundation Trust on 1 June 2007 and is now known as Dorset County Hospital NHS Foundation Trust.

Becoming a Foundation Trust puts us in a much stronger position to achieve our vision and strategic goals. NHS Foundation status gives us:

- Stronger links into our communities - We have a more representative forum in the Members' Council to discuss our plans and get input on them from local people, patients, staff and partner organisations;
- A better base from which to improve services – We have an increased ability to plan with confidence for the future due to the extra stability that comes from long-term, binding agreements with commissioners (Primary Care Trusts make most 'commissioning' decisions – they must first identify their population's health needs, then work with healthcare providers to develop a service to meet those needs).
- The ability to deliver service improvements more quickly – We have new ways to raise funds to pay for any equipment or buildings we will need;
- New ways to motivate staff – We can be more flexible in the way we reward our skilled and committed staff and unlock their potential to find ways to improve services;
- Faster decision-making – The ability to make decisions quickly and locally rather than being dependent on Department of Health decision-making. Freedom from the short-term restraint of having to 'break-even' in year will mean that we will be able to develop investment plans to support the development of clinical centres of excellence on the basis of longer term financial forecasting. The freedom to make decisions fast will enable us to exploit opportunities as they emerge.

For more information about Foundation Trust status and how to become involved as a member of the Trust please visit our website at www.dchft.nhs.uk, call 01305 254639 or e-mail foundation@dchft.nhs.uk

"The nurses and other members of the team on the ward were extremely courteous, efficient and helpful - I have nothing but praise for what they did for us."

Comment from patient letter

Operating and Financial Review

The following table summarises the Trust's performance against its key financial and clinical targets.

Key Financial Targets 2006 – 2007

Target	Objective	Target Met
Achieve breakeven on income and expenditure (I&E)	Manage services within the resources received from commissioners and other sources	Yes Trust achieved surplus of £16,000
Achieve a 3.5% capital cost absorption rate ('CCAR')	Achieve CCAR between Department of Health's required range of 3% and 4%	Yes - 3.3% achieved within the DoH CCAR range
Keep within the Capital Resource Limit ('CRL')	Manage Capital Expenditure within the Capital Resource Limit agreed with the Department of Health	Yes
Remain within the External Financing Limit ('EFL')	Manage cash expenditure within the limit agreed with the Department of Health	Yes

The Trust had an excellent year in terms of performance against key clinical targets and financial targets, achieving a small surplus on Income and Expenditure of £16,000. The main factor behind this surplus is achievement of the Cost Improvement Programme (CIP) to deliver savings of £5.1m through cost reduction and service efficiencies.

In 2007/08, the Trust will gain additional income from the full implementation of Payment by Results, which is the new NHS funding system designed to pay Trusts for services provided at a national tariff. The Trust Board is confident that this will enable the Trust to achieve and improve all its key financial targets, which will recover the deficits reported in 2005/06 and 2004/05 by 2008/09.

The Trust's five-year business plan for the period from 2007/08 to 2011/12, which is based on prudent and realistic assumptions, demonstrates that the Trust is financially sound:

- An I&E surplus range of 0.7% to 2.6% of income is forecast in each year; financial viability is not dependent upon significant activity growth or new service developments;
- The Trust has a relatively new hospital with no backlog maintenance;
- The planned level of capital expenditure can be comfortably afforded within the Trust's anticipated borrowing limit;

- The Trust generates sufficient free cash to service its debt.

Key Performance Achievements 2006 – 2007

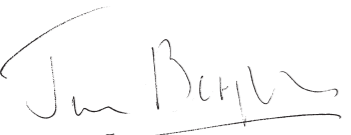
- Over 98.5% of patients waited less than four hours in A&E;
- There were no patients waiting over 11 weeks for a first outpatient appointment following their GP referral;
- There were no patients waiting over 20 weeks for an orthopaedic operation or over 13 weeks for all other specialties;
- The numbers of patients waiting over 13 weeks for key diagnostic tests fell from 950 at the start of the year to zero at the end of the year, and the Trust has significantly reduced audiology waits from over 35 weeks to an average of less than 8 weeks;
- Over 99% of patients either partially booked or fully booked their inpatient and outpatient appointments;
- Cancer performance significantly improved during the year with over 99% of patients waiting less than 2 weeks for an appointment and over 95% of patients receiving treatment within 1 month of diagnosis.

Financial Summary 2006/2007

Statement of Directors' Responsibilities in Respect of the Accounts

The directors are required under the National Health Service Act 1977 to prepare accounts for each financial year. The Secretary of State, with the approval of the Treasury, directs that these accounts give a true and fair view of the state of affairs of the Trust and of the income and expenditure of the Trust for that period. In preparing these accounts, the directors are required to:

- apply on a consistent basis accounting policies laid down by the Secretary of State with the approval of the Treasury;
- make judgements and estimates which are reasonable and prudent;

Signed:  Date: May 2007


Mr Jan Bergman – Chief Executive

- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Trust and to enable them to ensure that the accounts comply with requirements outlined in the above mentioned direction of the Secretary of State. They are also responsible for safeguarding the assets of the Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors confirm to the best of their knowledge and belief they have complied with the above requirements in preparing the accounts.

By Order of the Board

Signed:  Date: May 2007

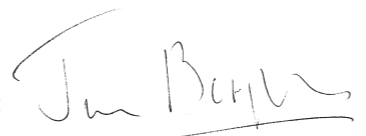
Mr Paul Turner – Director of Finance

Income and expenditure account for the year ended 31 March 2007

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 March 2007	2006/07	2005/06
	£000	£000
Income from activities	102858	95700
Other operating income	13313	13196
Operating expenses	-113502	-107354
OPERATING SURPLUS (DEFICIT)	2669	1542
Cost of fundamental reorganisation/restructuring*	0	0
Profit (loss) on disposal of fixed assets	-90	-108
SURPLUS (DEFICIT) BEFORE INTEREST	2579	1434
Interest receivable	257	157
Interest payable	0	0
Other finance costs - unwinding of discount	-12	-13
Other finance costs - change in discount rate on provisions	0	-16
SURPLUS (DEFICIT) FOR THE FINANCIAL YEAR	2824	1562
Public Dividend Capital dividends payable	-2808	-2644
RETAINED SURPLUS (DEFICIT) FOR THE YEAR	16	-1082

Balance sheet as at 31 March 2007

BALANCE SHEET AS AT 31 March 2007	31 March 2007	31 March 2006
	£000	£000
FIXED ASSETS		
Intangible assets	667	0
Tangible assets	94161	83941
Investments	0	0
	94828	83941
CURRENT ASSETS		
Stocks and work in progress	1997	2191
Debtors	3981	4683
Investments	0	0
Cash at bank and in hand	348	325
	6326	7199
CREDITORS: Amounts falling due within one year	-7679	-5985
NET CURRENT ASSETS (LIABILITIES)	-1353	1214
TOTAL ASSETS LESS CURRENT LIABILITIES	93475	85155
CREDITORS: Amounts falling due after more than one year	0	0
PROVISIONS FOR LIABILITIES AND CHARGES	-613	-631
TOTAL ASSETS EMPLOYED	92862	84524
FINANCED BY:		
TAXPAYERS' EQUITY		
Public dividend capital	81229	78491
Revaluation reserve	11927	6776
Donated asset reserve	2803	2775
Government grant reserve	0	0
Other reserves*	0	0
Income and expenditure reserve	-3097	-3518
TOTAL TAXPAYERS EQUITY	92862	84524

Signed:  Date: July 2007

JE Bergman - Chief Executive

Cash flow statement for the year ended 31 March 2007

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 March 2007	2006/07	2005/06
	£000	£000
Operating activities net cash inflow/(outflow) from Operating activities	8660	3556
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE:		
Interest received	244	151
Interest paid	0	0
Interest element of finance leases	0	0
Net cash inflow/(outflow) from returns on investments and servicing of finance	244	151
CAPITAL EXPENDITURE		
(Payments) to acquire tangible fixed assets	-8608	-5851
Receipts from sale of tangible fixed assets	17	0
(Payments) to acquire intangible assets	-220	0
Receipts from sale of intangible assets	0	0
(Payments to acquire)/receipts from sale of fixed asset investments	0	0
Net cash inflow/(outflow) from capital expenditure	-8811	-5851
DIVIDENDS PAID	-2808	-2644
Net cash inflow/(outflow) before management of liquid resources and financing	-2715	-4788
MANAGEMENT OF LIQUID RESOURCES		
(Purchase) of investments with DH	0	0
(Purchase) of other current asset investments	0	0
Sale of investments with DH	0	0
Sale of other current asset investments	0	0
Net cash inflow/(outflow) from management of liquid resources	0	0
Net cash inflow/(outflow) before financing	-2715	-4788
FINANCING		
Public dividend capital received	2738	5313
Public dividend capital repaid (not previously accrued)	0	-500
Public dividend capital repaid (accrued in prior period)	0	0
Loans received from DH	0	0
Other loans received	0	0
Loans repaid to DH	0	0
Other loans repaid	0	0
Other capital receipts	0	0
Capital element of finance lease rental payments	0	0
Cash transferred (to)/from other NHS bodies*	0	0
Net cash inflow/(outflow) from financing	2738	4813
Increase/(decrease) in cash	23	25

Statement of total recognised gains and losses for the year ended 31 March 2007

Statement of total recognised gains and losses for the year ended 31 March 2007	2006/07	2005/06
	£000	£000
Surplus (deficit) for the financial year before dividend payments	2824	1562
Fixed asset impairment losses	0	0
Unrealised surplus/(deficit) on fixed asset revaluations/indexation	5694	1904
Increases in the donated asset and government grant reserve due to receipt of donated and government grant financed assets	191	162
Defined benefit scheme actuarial gains/(losses)	0	0
Additions/(reductions) in "other reserves"	0	0
Total recognised gains and losses for the financial year	8709	3628
Prior period adjustment	0	0
Total gains and losses recognised in the financial year	8709	3628

Audit Committee

The Audit Committee is a sub-committee of the NHS Trust Board. It comprises the Non Executive Directors and the chair of the Committee is appointed from those Non Executive Directors. Chris Spry was the Audit Committee Chair for the financial year. The Chairman of the NHS Trust is not a member of this committee. Also in attendance on a regular basis is the Director of Finance, heads of internal and external audit and the local counter fraud specialist.

Independent auditors' statement to the Directors of the Board of Dorset County Hospital NHS Foundation Trust

I have examined the summary financial statements set out on pages 17 to 24.

This report is made solely to the Board of Dorset County Hospital NHS Foundation Trust in accordance with Part II of the Audit Commission Act 1998 and for no other purpose, as set out in paragraph 36 of the Statement of Responsibilities of Auditors and of Audited Bodies prepared by the Audit Commission.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the Annual Report.

My responsibility is to report to you my opinion on the consistency of the summary financial statement within the Annual Report with the statutory financial statements.

I also read the other information contained in the Annual Report and consider the implications for my report if I become aware of any misstatements or material inconsistencies with the summary financial statement.

Basis of opinion

I conducted my work in accordance with Bulletin 1999/6 'The auditors' statement on the summary financial statement' issued by the Auditing Practices Board. My report on the statutory financial statements describes the basis of our audit opinion on those financial statements.

Opinion

In my opinion the summary financial statement is consistent with the statutory financial statements of the Trust for the year ended 31 March 2007.



Simon Garlick - District Auditor

Audit Commission
2nd Floor, 50 South Street, Dorchester, DT1 1DQ
20 June 2007

External Auditors

The NHS Trust's statutory external audit, was provided by the Audit Commission, the fee for which is £143,000 (including VAT).

Declaration of Interests

The senior managers of the NHS Trust, who are for the purposes of this Annual Report the Trust Board, have registered their Declaration of Interests with the NHS Trust. There are no significant interests held by the Trust Board directors of companies likely to do business, or possibly seeking to do business with the NHS where this may conflict with their managerial responsibilities.

Senior Managers Remuneration Report

The Greenbury Report on Directors' remuneration (July 1995) recommended a Code of Best Practice based on the fundamental principles of accountability, transparency and linkage of rewards to performance.

West Dorset General Hospitals NHS Trust in line with Department of Health guidelines has followed those principles. The following tables state the remuneration of the senior managers of the NHS Trust and their pension benefits.

The Department of Health's definition of 'senior manager' is 'those persons in senior positions having authority or responsibility for directing or controlling the major activities of the Trust'. This means those who influence the decisions of the entity as a whole rather than the decisions of individual directorates or departments. The NHS Trust considers that the regular attendees of the entity's board meeting are its senior managers.

The Remuneration and Terms of Service Committee is responsible for advising the appropriate remunerations and terms of service for the Chief Executive and Executive Directors of the Trust Board. Remuneration of the Chairman and Non Executive Directors is decided by the Department of Health.

Composition of the committee is made up of the Chairman and all Non Executive Directors. The Chief Executive and Acting Director of Human Resources are in attendance but not present when the committee discusses their remuneration.

Executive Directors' objectives are reviewed annually and those objectives are measured against performance at the following year's appraisal meeting.

The salary of the senior manager is not segmented between basic salary and performance related payments. A cost of living allowance is applied to the remuneration based on the national NHS directive for staff.

Trust Board Executive Directors' contracts are substantive with reasonable notice periods built in to protect the Trust and the individual. The Chief Executive is required to give six months' notice and all other Executive Directors, three months' notice.

With regard to the Chairman and the Non Executive Directors, they are appointed by the Appointments Commission and are given a four-year fixed-term contract. This contract can be renewed with an additional four-year fixed-term contract and a second reappointment term can also be issued of two further years. The maximum contractual employment for Non Executive Directors is 10 years. There is no maximum period of employment for NEDs of Foundation Trusts.

Detail of the length of service of the Trust Board who are identified in the remuneration and pension tables is provided following this report.

If a directors' employment is disengaged earlier than the contractual arrangements, compensation will be negotiated on a case-by-case basis and follow any statutory regulations that are in force at the time. Negotiated termination arrangements must comply with COT3 ACAS regulations. The NHS will always seek legal advice in respect of all cases of early termination.

Under the Government's Financial Reporting Manual (FRM) guidance, senior managers are expected to make a disclosure unless it is prejudicial to the individual, in which case a disclosure as to which information has been withheld is made against the senior manager's name.

Length of Service of Trust Board Members

Length of Service of Trust Board Members			
Chairman	Robin Sequeira	01/12/1997 – 01/11/2007	
Vice Chairman	Brigadier John Jackson	01/12/1996 – 30/04/2006	
Non Executive Director	Annabel Broome	01/12/1998 – 31/03/2007	Vice Chairman wef 01/05/2006
Non Executive Director	Hedley Harrison	30/10/2004 - 30/09/2006	
Non Executive Director	Roderick Knight	30/10/2004 – 30/09/2008	
Non Executive Director	Christopher Spry	01/03/2005 – 28/02/2009	
Non Executive Director	Jeffery Ellwood	01/06/2006 - 31/05/2010	
Chief Executive	Jan Bergman	13/03/2006 –	
Director of Finance	Paul Turner	01/08/2003 –	
Medical Director	Dr David Cove	01/04/2003 –	
Operational Director	Sally Brown	29/03/2005	
Director of Nursing	Alison Tong	19/04/2004	

Management costs

Management costs	2006/07	2005/06
	£000	£000
Management costs	3,665	3,458
Income	116,171	108,896
Management Costs expressed as percentage of Turnover	3.15	3.18
Management costs are defined as those on the management costs website at www.dh.gov.uk/PolicyAndGuidance/OrganisationPolicy/FinanceAndPlanning/NHSManagementCosts/fs/en		

Salary and Other Remuneration for Senior Managers 2006/07

Name and Title	2006/07			Restated 2005/06			2005/06		
	Salary	Other Remuneration	Benefits in Kind	Salary	Other Remuneration	Benefits in Kind	Salary	Other Remuneration	Benefits in Kind
	(bands of £5,000) £000	(bands of £5,000) £000	(Rounded to the nearest £000)	(bands of £5,000) £000	(bands of £5,000) £000	(Rounded to the nearest £000)	(bands of £5,000) £000	(bands of £5,000) £000	(Rounded to the nearest £000)
Mr R Sequeira - Chairman	15 - 20		2.9	15 - 20		2.2	20 - 25		2.2
Brigadier J Jackson - Non Executive	0 - 5		0.1	5 - 10			5 - 10		
Ms A Broome - Non Executive	5 - 10		0.2	5 - 10		0.2	5 - 10		0.2
Mr R Knight - Non Executive	5 - 10			5 - 10			5 - 10		
Mr H Harrison - Non Executive	0 - 5			5 - 10		1.4	5 - 10		1.4
Mr C Spry - Non Executive	5 - 10			5 - 10			5 - 10		
Mr J Ellwood - Non Executive	0 - 5		0.2	0			0		
Mr J Bergman - Chief Executive	115 - 120			5 - 10			5 - 10		
Mr P Turner - Director of Finance	95 - 100			95 - 100			95 - 100		
Ms S Brown - Director of Operations	70 - 75			70 - 75			70 - 75		
Ms A Tong - Director of Nursing	70 - 75			65 - 70			65 - 70		
Dr D Cove - Medical Director	90 - 95	85 - 90		85 - 90	70 - 75		90 - 95	65 - 70	
Mr N Cox - Chief Executive (retired)				80 - 85			80 - 85		
Mr R Pascall Director of HR (*)				40 - 45			40-45		

Brigadier J Jackson retired from his position as Deputy Chairman and Non Executive Director 30/11/2006

Mr J Ellwood was appointed Non Executive Director 01/6/2006

Dr D Cove relinquished the position of Medical Director 31/03/2007

Ms A Broome's tenure as Non Executive expired 01/04/2007

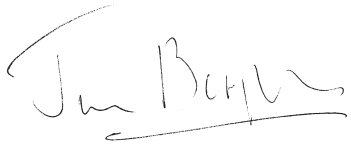
Mr H Harrison relinquished his tenure as Non Executive Director 21/12/2006

Mr N Cox retired from the Chief Executive position 17/12/2005

Mr R Pascall relinquished his contract as HR manager

The Trust Board was also supported by a Special Advisor, Ms P Turnbull a Chartered Accountant who has subsequently been appointed in 2007/08 by the Appointments Commission as a Non Executive Director

The 2005/06 salaries have been restated because mileage and other expenses should have been excluded

Signed:  Date: July 2007

JE Bergman - Chief Executive

Senior Managers' Pensions

Name and title	Real increase in pension at age 60 (bands of £2,500)	Lump sum at age 60 related to real increase in pension (bands of £2,500)	Total accrued pension at age 60 at 31 March 2007 (bands of £5,000)	Lump sum at age 60 related to accrued pension at 31 March 2007 (bands ,000)	Cash Equivalent Transfer Value at 31 March 2007	Cash Equivalent Transfer Value at 31 March 2006	Real Increase in Cash Equivalent Transfer Value	Employers Contribution to Stakeholder Pension (To nearest £100)
	£000	£000	£000	£000	£000	£000	£000	£
Mr J Bergman, Chief Executive	0 - 2.5	5.0 - 7.5	40 - 45	130 - 135	739	684	37	25900
Mr P Turner, Director of Finance	0 - 2.5	2.5 - 5.0	15 - 20	50 - 55	286	257	23	15900
A Tong, Director of Nursing	0 - 2.5	0 - 2.5	15 - 20	50 - 55	229	207	17	11700
S Brown, Director of Operations	0 - 2.5	7.5 - 10	15 - 20	45 - 50	236	212	18	12900
D Cove, Medical Director	0 - 2.5	5.0 - 7.5	75 - 80	235 - 240	Nil	1388	-1423	-996100
Mr N Cox, Chief Executive						632		
Mr R Pascall HR						27		

Dr D Cove does not have a CETV at the 31/03/2007 due to receiving a pension in 2006/07.

J Bergman Chief Executive commenced his position with this NHS Trust on the 13/03/2006

Mr N Cox retired on the 17/12/2005

Mr R Pascall relinquished his position on the 06/10/2005

Non Executive members of the Board do not receive pensionable remuneration and therefore there will be no entries in respect of pensions for Non Executive members

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capital value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's

pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which the disclosure applies.

Real Increase in CETV - This reflects the increase in CETV effectively funded by the employer. It takes account of the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another scheme or arrangement) and uses common market valuation factors for the start and end of the period.

Better Payment Practice Code - measure of compliance

Better Payment Practice Code - measure of compliance	2006/07		2005/06	
	Number	£000	Number	£000
Total Non-NHS trade invoices paid in the year	41360	32649	38984	33174
Total Non NHS trade invoices paid within target	39555	31118	36399	31130
Percentage of Non-NHS trade invoices paid within target	96%	95%	93%	94%
Total NHS trade invoices paid in the year	1980	17071	2046	20767
Total NHS trade invoices paid within target	1677	16614	1,461	18481
Percentage of NHS trade invoices paid within target	85%	97%	71%	89%

The Better Payment Practice Code requires the Trust to aim to pay all undisputed invoices by the due date or within 30 days of receipt of goods or a valid invoice, whichever is later.

Pension Schemes

Past and present employees are covered by the provisions of the NHS Pensions Scheme. The scheme is an unfunded, defined benefit scheme that covers NHS employers, General Practices and other bodies, allowed under the direction of the Secretary of State, in England and Wales. The scheme is a 'final salary' scheme. Annual pensions are normally based on 1/80th of the best of the last 3 years' pensionable pay for each year of service. A lump sum normally equivalent to 3 years' pension is payable on retirement. Further detail can be obtained from the notes of the full set of 2006-07 annual accounts that are available on request from the NHS Trust.

Cadbury & Greenbury

The 'Codes of Conduct & Accountability' requirements are based on the recommendations of the Cadbury Committee. The recommendations of the Greenbury committee, as interpreted by the Treasury's Resource Accounting Manual, have been incorporated within the Remuneration of Senior Managers note within the Annual Report.

Obtaining a full set of Accounts and Statement on Internal Control

The Financial Statements that are published in the Annual Report are a summary of the information in the NHS Trust's full accounts, which are available on request.

The Statement on Internal Control (SIC) which particularly focuses on how the Trust manages risks that may prevent it from achieving principle objectives has been approved by the Trust Board. It has not been published in the Annual Report but it is available to members of the public at the address given below

You can obtain a full set of Accounts and a copy of the SIC from:

Company Secretary,
Trust HQ, Dorset County Hospital, Williams
Avenue, Dorchester, Dorset DT1 2JY
 direct line: **01305 254114** or
 by email **john.yeoman@dchft.nhs.uk**

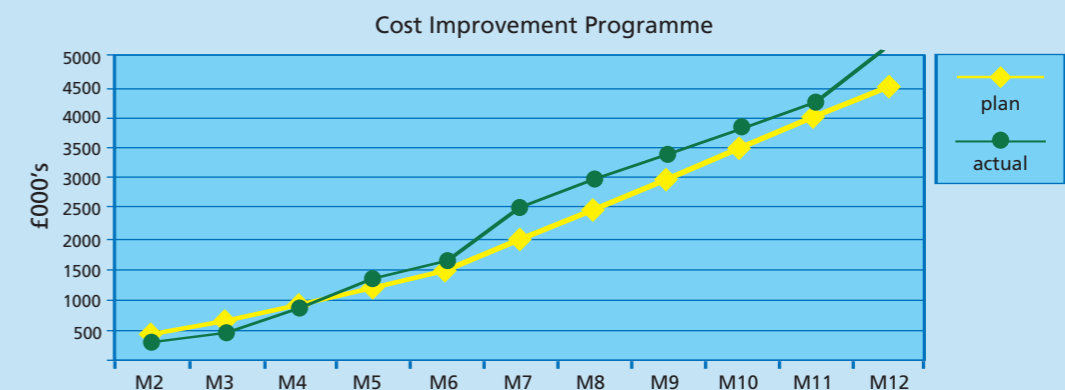
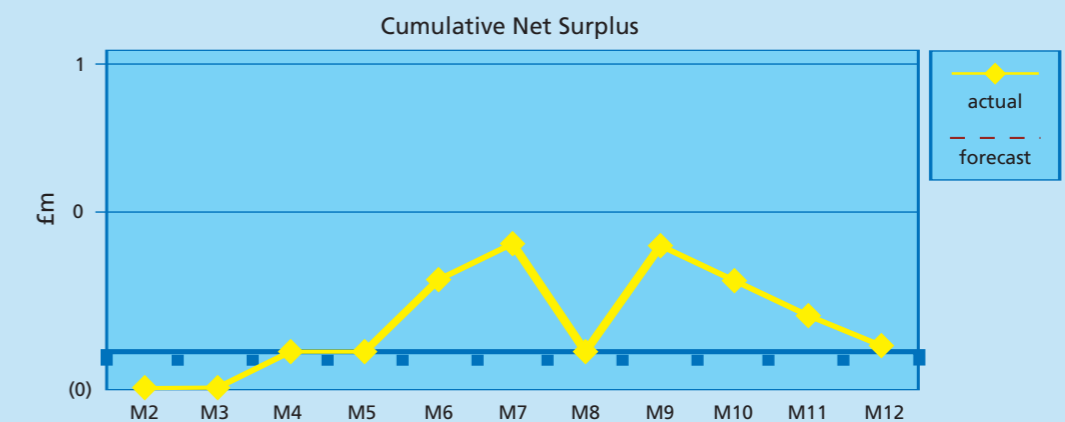
A small charge of £5 may be made to cover costs.

Financial Overview 12 Months to March 2007

Income and Expenditure

	Actual		Risk Rating
EBITDA	£7.8m	6.7%	3
	{ % plan achieved	82%	4
Net Surplus	16K	0%	3

EBITDA – Earnings Before Interest, Taxation, Depreciation and Amortisation



Forecast

Return on Net Assets	Income	Operating Exp
3.2%	£116.2m	£108.4

Comments

Surplus of £16k achieved against original plan of £1.5m surplus
 Main reasons for non-achievement of Plan: - in-year reduction in central budgets of £0.6m
 - additional cost pressures through treating more people

Charitable Funds Summary Report

The Charitable Fund accounts that were presented in the 2005/06 Annual Report at the time it was printed had not been audited. This report reflects the audited charitable accounts for 2005/06 in SORP 2005 format, which were adopted by the Trustees on 23 January 2007 and signed off by the auditors on 1 February 2007. The Annual Report in the future will contain the previous year's Charitable Fund audited accounts that have to be presented to the Charity Commission by 31 January following the accounts financial year-end.

In comparing the 2005/06 Annual Report which contained unaudited Charitable Fund statements with the statements noted in this Annual Report, the statements were adjusted by £85,000 recognising donated items funded by external organisations and £182,000 of committed expenditure, which under SORP 2005 regulations must be accrued and recognised as a contractual obligation against the funds.

The Charitable Funds for West Dorset General Hospitals NHS Trust are held and accounted for independently of the NHS Trust's main exchequer income. They are managed by a group of Directors and Non Executive Directors of the Trust Board known as the Trustees, which in 2005/06 was chaired by Brigadier John Jackson, a Non Executive Director and Vice Chair of the WDGHT Trust Board.

During 2005/06 the WDGHT Charitable Funds received income in the form of donations, grants, legacies and external funding totalling £573,000. Of this sum, £254,000 (£207,000 04/05) related to donations and grants, and £234,000 (£38,000 04/05) was received from legacies. In addition the NHS Trust received £85,000 of donated equipment through funding from external charitable organisations as listed in the report.

As a consequence of the stock market's poor performance in 2004/05 all investments were sold in that financial year and banked into the Paymaster Generals Bank to provide a return on unused balances, and a sum of £17,000 interest was earned through this bank account. The Trustees will review the investment process on a continuing basis. At the same time the Trustees positively encourage the spending of funds following the principles of the Charity Commission, which encourages the use of donated income as soon as possible.

We would like to publicly thank all our benefactors for their enormous generosity through donations, grants, legacies and external funding through whom we have been able to enhance the provision of equipment, facilities and services for the benefit of WDGHT patients and staff, beyond that which would normally have been provided by the NHS.

During the financial year, the WDGHT Trustees allocated funds totalling £528,000 (£283,000 04/05) for the benefit of wards and departments that had made application. The receipt of substantial legacies in the latter part of this year along with a large donation from a donor who wishes to remain anonymous has helped us to fund this year's applications, especially medical equipment for orthopaedics, surgery and renal services. A couple of legacies will be carried over into the following year with particular projects at the planning stage.

Our major spending areas this year have been:

- £293,000 (£134,000 04/05) medical equipment;
- £53,000 (£10,000 04/05) furniture for patient and staff areas;
- £78,000 (£53,000 04/05) Arts in Hospital associated projects. This spend has been supported predominantly from other charitable organisation grants;
- £11,000 (£21,000 04/05) Christmas allowances for 2,200 contracted staff who applied;
- £53,000 (£14,000 04/05) Courses, conferences and textbooks, which has enhanced the educational opportunities for our staff;
- £7,000 (£6,000 04/05) Retirement hospitality for over 30 staff, who have given in excess of 20 years' dedicated service to the WDGHT NHS Trust or its predecessor.

WDGHT would also like to take this opportunity to publicly thank all the various external charitable organisations that have also contributed to the infrastructure of the NHS Trust. WDGHT has received considerable financial help this year from:

- The League of Friends Dorchester Hospital
- The League of Friends Weymouth and Portland Hospitals

- Dorset Kidney Fund
- Dorset Health Trust
- Elimination of Leukaemia
- Fine Foundation
- Diabetes UK
- Fortuneswell Cancer Trust
- Royal Order of Scotland Provincial Grand Lodge
- Breast Care Support Group
- Early Birds
- Welcome Trust
- Arts Council

The NHS Trust is a team comprising numerous professions across a wide range of wards and departments and our philosophy has always tried to ensure equity and access by all those professional teams within the Trust. Whilst maintaining the General Purpose Charitable Funds for donations that have been received without a specific purpose, the Trustees have also recognised that some donors wish to give to named specialties. During the financial year the Trustees decided to expand the General Purpose Funds by providing a number of Memorandum Funds specifically for these specialties. Naturally this decision has impacted on the General Purpose funds that served the whole of the WDGHT health community but conversely it has reassured donors that their generous donations are secured for the specialty of their choice. Our registered funds can be found on the Charity Commission website: www.charity-commission.gov.uk under registration No 1056479.

This report is a summary of the information that is made available in the Charitable Trustees' Report and Accounts, which is sent to the Charity Commission each year and prepared under the SORP 2005 regulations. The Audit Commission audited the charitable accounts for 2005/06 in January 2006 and signed off the accounts on the 1 February 2007. Future annual accounts will be audited in the September following.

The audited Charitable Fund accounts for 2005/06 along with the Trustees Report are available from the address set out below.

If you would like further information about our charitable funds, or you wish to ask about fund-raising, making a donation or bequest to the West Dorset General Hospitals NHS Trust Charitable Funds, please contact the

Company Secretary, Dorset County Hospital, Williams Avenue, Dorchester, Dorset DT1 2JY (direct line 01305 254114).



"I was immediately put at ease by the staff as soon as I walked in the door. The human touch is what is lacking in many establishments, but not here."

Comment from patient letter

Charitable Funds Balance Sheet as at 31 March 2006

Balance Sheet as at 31 March 2006	Unrestricted Funds	Restricted Funds	Endowment Funds	Total at 31 March 2006	Total at 31 March 2005
	£000	£000	£000	£000	£000
Fixed Assets					
Intangible assets	0	0	0	0	0
Tangible assets	0	0	0	0	0
Heritage assets	0	0	0	0	0
Investments:					
Investments	0	0	0	0	0
Programme related investment					
Total Fixed Assets	0	0	0	0	0
Current Assets					
Stocks and work in progress	0	0	0	0	0
Debtors	33	39	0	72	46
Investments	0	0	0	0	0
Cash at bank and in hand	187	506	0	693	490
Total Current Assets	220	545	0	765	536
Liabilities					
Creditors: Amounts falling due within one year	18	156	0	174	22
Net Current Assets/(Liabilities)	202	389	0	591	514
Total Assets less Current Liabilities	202	389	0	591	514
Creditors: Amounts falling due after more than one year	5	10	0	15	0
Provisions for liabilities and charges	0	0	0	0	0
Total Net Assets(Liabilities) excluding pension asset or liabilities	197	379	0	576	514
Defined benefit pension scheme asset or liability	0	0	0	0	0
Total Net Assets(Liabilities) including pension asset or liabilities	197	379	0	576	514
The Funds of the Charity					
Endowment funds	-	-	0	0	0
Restricted	-	379	-	379	372
Unrestricted Income funds					
Share capital	0	-	-	0	0
Unrestricted income funds:	197	-	-	197	142
Revaluation reserve	0	-	-	0	0
Total Unrestricted income funds excluding pension asset/liability					
Pension Reserve					
Total unrestricted funds	197	0	0	197	142
Total Funds	197	379	0	576	514

Charitable Funds Statement of Financial Activities for the year ended 31 March 2006

Statement of Financial Activities for the year ended 31 March 2006	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds	2004-05 Total Funds
	£000	£000	£000	£000	£000
Incoming resources					
Incoming resources from Generated Funds					
Voluntary Income	308	265	0	573	245
Activities for Generating Funds	0	0	0	0	0
Investment Income	5	12	0	17	47
Incoming Resources from Charitable Activities	0	0	0	0	0
Other Incoming Resources	0	0	0	0	0
Total Incoming Resources	313	277	0	590	292
Resources Expended					
Costs of generating funds					
Costs of Generating Voluntary Income	0	0	0	0	1
Fundraising Trading: Costs of goods sold and other costs	0	0	0	0	0
Investment Management Costs	0	0	0	0	0
Charitable Activities	255	252	0	507	252
Governance Costs	6	15	0	21	30
Other Resources Expended	0	0	0	0	0
Total Resources Expended	261	267	0	528	283
Net incoming/(outgoing) resources before transfer	52	10	0	62	9
Transfers					
Gross transfer between funds	(24)	24	0	0	0
Net incoming/(outgoing) resources before other recognised gains & losses	28	34	0	62	9
Other recognised gains /(losses)					
Gains/(losses) on revaluation of own fixed assets	0	0	0	0	0
Gains/(losses) on investment assets	0	0	0	0	0
Actuarial gains/(losses) on defined benefit pension schemes	0	0	0	0	23
Net movement in funds	28	34	0	62	32
Fund balances brought forward at 31 March 2005 (restated)	169	345	0	514	482
Fund balances carried forward at 31 March 2006	197	379	0	576	514

The fund opening balances at the 1 April 2005 have been restated due to an error in the classification of the Critical Care Fund as a Restricted Fund. This fund is a memorandum fund of the General Purpose Fund which is Unrestricted. The balance of the Critical Care Fund at the 31 March 2005 was £26,970.66 which has now been correctly classified as Unrestricted

Comments from patient letters

"The care I received was outstanding in every way. We are so fortunate to have such a wonderful hospital here in Dorset."



"I am sure your standard for cleanliness is a lesson for other hospitals."

"The care and treatment was fantastic."



"We have one of the best hospitals and the highest standards in medical care probably in the country."

"I was impressed with the first class service provided."